

ALCALDE & FAY

The American Recovery and Reinvestment Act of 2009



President Obama today signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. This economic stimulus legislation is a supplemental appropriations bill with tax provisions. The objectives of the bill include job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. It passed the House along strict party lines and by the Senate with three Republican votes on February.

A large majority of the funds proposed in the bill will be allocated through existing federal programs, formulas and competitive grants. Although your current state and local contacts for certain programs should be the best source of information on the distribution of funds, we will inform you of all federal grant opportunities as they become available.

As expected, there are no earmarks in the final bill. ARRA contains provisions that require disclosure and certification by certain parties for projects funded by the bill and all expenditures will be posted on the Internet. All announcements of contract and grant competitions and awards, as well as formula grant allocations must be posted on a special website created by the President. It must include the names of agency personnel to contact with concerns about infrastructure projects. Public notice of funding must include a description of the investment funded, the purpose, the total cost, and why recovery dollars should be used. Governors, mayors, or others making funding decisions must personally certify that the investment has been fully vetted and is an appropriate use of taxpayer dollars. A Recovery Accountability and Transparency Board will be created to review management of recovery funds and provide early warning of problems.

PLEASE NOTE: In the interest of time, we wanted to get this document distributed as soon as possible. We expect that it will be updated, refined and resubmitted to you with such enhancements. Toward that end, we would be happy to try and address any specific questions you may have, will try to respond promptly to those questions, and includes those responses as updates to this document.

Finally, below are links already posted on some Agency websites, which you may find useful. We are also including as an attachment to this memo, a document which

provides the state by state allocation of the Infrastructure funding within the Stimulus measure.

- http://www.fta.dot.gov/index_9118.html#RecommendedActions#RecommendedActions
- <http://www.fhwa.dot.gov/economicrecovery/>
- <http://edlabor.house.gov/documents/111/pdf/publications/ARRA-estimatedstateeducationfunding-20090213.pdf>
- <http://edlabor.house.gov/documents/111/pdf/publications/ARRA-CCDBG-200901213.pdf>
- <http://edlabor.house.gov/documents/111/pdf/publications/ARRA-estimatedallocationstoLEAs-20090213.pdf>

EDUCATION AND WORKFORCE

Workforce Investment Act Programs - \$3.95 billion

This program authorizes funding for job training programs for adults, youth and dislocated workers. The bill provides formula grants to States and local workforce areas through three programs: 1) \$500 million is provided for adult employment and training activities; 2) \$1.2 billion is provided for youth services to create summer jobs for youth and to reach young adults who have become disconnected from both education and the labor market; and 3) \$1.25 billion is provided for job training and reemployment services for dislocated workers.

There is also \$200 million provided for the dislocated workers assistance national reserve to respond to worker dislocations through national emergency grants, with an emphasis on serving areas of high unemployment or high poverty.

The bill provides \$50 million for the YouthBuild program which serves at-risk youth by providing education and occupational credentials while they construct or rehabilitate affordable housing. Funds will be distributed as supplemental awards to existing programs as well as an expansion of a pending competition.

The bill also creates a new competitive grant program, High Growth and Emerging Industry Sectors, for worker training and placement in the energy efficiency and renewable energy industries sectors (\$500 million) as well as the health care sector (\$250 million) which continues to grow despite the economic downturn.

Community Service Employment for Older Americans - \$120 million

This program provides grants to public and private nonprofit organizations in order to subsidize part-time work in community service for low-income seniors. The funds provided in the bill will be allotted to current grantees in proportion to their allotment in program year 2008.

Title I of the Elementary and Secondary Education Act - \$13 billion

Title I grants to local educational agencies (LEAs) provide supplemental education funding, especially in high-poverty areas, for programs that provide extra academic support to help raise the achievement of students at risk of educational failure or to help all students in high-poverty schools meet challenging State academic standards. There is \$10 billion available in funding which will be distributed according to an existing formula.

The Title I School Improvement Grants program is a State formula grant program, that makes awards to States to provide assistance for local school improvement activities for Title I schools that do not make adequate yearly progress (AYP) for at least 2 consecutive years. The bill provides \$3 billion for School Improvement Grants.

Impact Aid Construction - \$100 million

These funds shall be used to support school construction by LEAs that educate federally-connected students or have federally-owned land. Because school construction is primarily financed from local funds, and because federally-affected LEAs cannot tax certain lands, LEAs with large percentages of federally-connected students need supplemental funds for construction. The grants will be awarded by formula and competition to enable eligible LEAs to undertake emergency renovations and modernization projects.

Enhancing Education through Technology Program - \$650 million

This program supports State, district, and school efforts to integrate technology into curricula in order to improve teaching and learning. Funding shall be used for technology hardware, software applications, professional development and related instructional technology staff and services. The funds provided in this bill will be distributed to State Education Agencies according to an existing formula.

Education for Homeless Children and Youth Program - \$70 million

This program provides formula grants to States to assist schools and districts with providing services for homeless children and youth, including meals, transportation and other needed support services. The funds provided in the bill will be used to expand the program and funds will be disbursed to existing grantees by formula.

School Construction - \$23.4 billion

H.R. 1 establishes a new category of tax credit bonds for land acquisition, construction, and rehabilitation. The national limitation on the amount of qualified school construction bonds that may be issued by State and local governments is \$22 billion (\$11 billion allocated in 2009 with the remainder in 2010). The bill also permits an additional \$1.4 billion of Qualified Zone Academy Bond (QZAB) issuing authority to State and local governments in 2009 and 2010, which can be used to finance equipment purchases, renovations, train teachers and personnel at a qualified zone academy and develop course material. QZABs are a type of tax credit bonds that offer the bond holder a Federal tax credit in lieu of interest.

Teacher Incentive Fund - \$200 million

This program encourages school districts and States to develop and implement innovative ways to provide financial incentives for teachers and principals who raise student achievement and close the achievement gap in some of the highest-need schools. The funding provided in the bill would enable States and LEAs to develop and implement systems to attract and retain highly qualified teachers and principals, and to align their pay with student performance. These funds will also help participating States and school districts with budget shortfalls by providing significant assistance for teacher compensation, recruitment, and retention. The funds will be distributed on a competitive basis.

Special Education IDEA, Part B State Grants - \$11.7 billion

The IDEA Part B, Grants to States program provides formula grants to assist the States in meeting the excess costs of providing special education and related services to children with disabilities. Funds are distributed according to an existing formula with \$6 billion to be distributed in 2009 and \$7 billion to be distributed in 2010.

Special Education IDEA, Infants and Families - \$500 million

This program provides formula grants to the States to assist them in implementing coordinated systems of comprehensive programs and making early intervention services available to children with disabilities aged birth through 2 and their families.

Vocational Rehabilitation (VR) State Grants - \$540 million

This program provides support to VR agencies that provide a wide range of services designed to help persons with disabilities prepare for and engage in gainful employment to the extent of their capabilities. The funds will be distributed through formula grants to States.

Centers for Independent Living - \$140 million

The Independent Living Program consists of three separate programs that are funded according to a State population-based formula. The breakdown shall be: 1) \$18,200,000 for Independent Living State Grants which provide funding to improve independent living services, and to support the operation of State Independent Living centers; 2) \$87,500,000 for Independent Living Centers which support nonresidential, community-based centers that are designed and operated within individual communities by individuals with disabilities; and 3) \$34,300,000 for the Independent Living Services for Older Individuals Who Are Blind Program which supports services to assist individuals age 55 or older whose visual impairment makes employment difficult to obtain, but for whom independent living goals are feasible.

National Endowment for the Arts - \$50 million

The National Endowment for the Arts will use the allotted funding to assist nonprofit arts organizations which have been heavily impacted by recent funding reductions due to philanthropic retrenchment after the past year's stock market declines and by reductions in state and local support because of revenue shortfalls in a depressed economy. Funds will be disbursed according to existing mechanisms to provide direct grants to fund arts projects and activities. Forty percent will be distributed by formula to State arts agencies and regional arts organizations and 60 percent will be set aside for competitively selected arts projects and activities.

DEPARTMENT OF ENERGY

Alternative Fueled Vehicles Pilot Grant Program - \$300 million

This money will fund up to 30 pilot grants nationwide through a competitive grant process. The money may be used for the purchase of alternative fueled vehicles, fuel cell vehicles or hybrids, including buses for public transportation and vehicles at public airports. The installation or acquisition of necessary infrastructure is also eligible for grant funding. A 50% non federal match is required for these grants and a new solicitation must be written before the grants can be offered.

Energy Efficiency & Conservation Block Grants (EECBG) - \$3.2 billion

Of the funds provided \$400 million shall be awarded on a competitive basis to grant applicants. Eligible entities include counties over 200,000 in population and/or one of the 10 most populous counties in a state. DOE is in the process of writing the regulations governing this program. This funding would assist states and local governments in implementing strategies to reduce fossil fuel emissions created as a result of activities within the jurisdictions of the eligible entities and reduce the total energy use. Potential eligible activities include: conducting residential and commercial building energy audits; grants to non-profits organizations to perform energy efficiency retrofits; developing/implementing programs to conserve energy used in transportation; developing and implementing building codes and inspections services to promote building energy efficiency; installing light emitting diodes (LEDs); and developing, implementing, and installing on or in any government building onsite renewable energy technology that generates electricity from renewable sources.

The guidelines for the EECBG program are expected to be released soon. In the meantime, DOE suggests that entities start the registration process by requesting a DUNS Number (<http://fedgov.dnb.com/webform/displayHomePage.do>); Registering with the Central Contractor Registry (<http://www.ccr.gov/>); and Registering with E-Business Point of Contact (<https://www.fedconnect.net/FedConnect/>). This process may take upwards of 21 days. The registration process must be completed before an entity can submit an application for funding. The application website is https://www.fedconnect.net/FedConnect/PublicPages/FedConnect_Ready_Set_Go.pdf.

State Energy Program (SEP) - \$3.1 billion

The funding from the State Energy Program goes to state energy offices in all states through formula grants and competitive special project grants. Under this existing program, states are required to provide a 20% local match for formula funds. SEP projects are managed by state energy offices. States use grants to address their energy priorities and program funding to adopt emerging renewable energy and energy efficiency technologies. This funding will provide resources for activities in state energy offices, including key initiatives such as residential, commercial and governmental building energy efficiency retrofits.

Transportation Electrification - \$400 million

This funding would provide grants to states, local governments, and metropolitan transportation authorities for qualified electric transportation projects that reduce emissions, including shipside electrification of vehicles, truck stop electrification, airport ground support equipment and cargo handling equipment.

Smart Grid - \$4.5 billion

This funding would provide for “Smart Grid” and the costs necessary to modernize the electric grid, enhance security and reliability of the energy infrastructure, energy storage research, development, demonstration and deployment, and facilitate recovery from disruptions to the energy supply. This is a new program that will provide 50 percent federal funds to electric utilities or other parties that carry out “smart grid” demonstration projects.

Clean Renewable Energy Bond (CREB) Limits - \$2.4 billion

The bill provides funds for bonds that are used to finance renewable energy facility projects, such as wind, biomass, landfill gas, trash combustion, and the like. One-third of the funding is allotted for qualifying projects for State/local/tribal governments.

Energy Conservation Bond Limits - \$3.2 billion

The bill provides funds for green community programs. The bonds can be used to finance loans to individual homeowners for the purpose of energy efficiency retrofits to existing homes.

ENVIRONMENTAL PROTECTION AGENCY

Diesel Emissions Reduction (DERA) Grants and Loans - \$300 million

This funding is provided to states and local governments. The State Grant and Loan Program matching incentive provisions have been waived. DERA funds should be used on projects that spur job creation, while achieving direct, measureable reductions in diesel emissions. To ensure the additional goal of creating jobs as quickly as possible, EPA may make awards for meritorious and quality proposals submitted under competitions that were initiated within the past 18 months.

Leaking Underground Storage Tank (LUST) Trust Fund - \$200 million

This funding is provided to states and territories for the oversight, enforcement and cleanup of petroleum releases from underground storage tanks (USTs). There could be as many as 116,000 sites requiring clean up actions in 2009. These funds would address approximately 1,600 additional clean ups. The bill waives the state matching requirements.

Superfund Remedial Clean-up Program - \$600 million

This program addresses contamination from hazardous and toxic waste sites that threaten human health and the environment. EPA currently has listed 1,255 sites on its National Priority List. It is these sites, selected based on a hazard ranking system, which would benefit from recovery funds. In 2009 there could be as many as 20 Superfund sites ready for construction, but not funded due to budget shortfalls. The funds will begin to address those sites, plus accelerate construction at many of 600 sites where work has been limited in the past by funding constraints. Because many Superfund sites are “ready to go” or “ready to expand” and because these funds will be obligated mostly through existing contracts and Interagency Agreements, it is expected that all the funds will be obligated and mostly expended within a two year timeframe.

Clean Water - \$6.4 billion

\$4 billion will be provided under the Clean Water State Revolving Funds (CWRP), which allots funds to States which then make loans for local wastewater treatment projects. The States will distribute the funds for wastewater treatment projects using current Federal criteria. Also, \$100 million of these funds are set aside for Brownfields remediation grants to be administered through the existing

Clean Water State Revolving Fund process. To ensure the additional goal of creating jobs as quickly as possible, EPA may make awards for meritorious and quality proposals submitted under competitions that were initiated within the past 18 months.

\$2 billion will be provided under the existing Drinking Water State Revolving Funds (DWSRF), which provides loans and grants for drinking water infrastructure. Both publicly and privately owned community water systems and non-profit non-community water systems are eligible for funding under the DWSRF program. Eligible projects include installation and replacement of failing treatment facilities, eligible storage facilities and transmission and distribution systems. Projects to consolidate water supplies may also be eligible.

To expedite use of the funds, the bill waives the mandatory 20 percent State and District of Columbia matching requirement for both Revolving Funds. To ensure that the funds are used expeditiously to create jobs, the Administrator is directed to reallocate Revolving Fund monies where projects are not under contract or construction within 12 months of the date of enactment. In addition, priority will be given to projects on State priority lists that are ready to proceed to construction within 12 months of enactment.

The bill requires that not less than 50 percent of the capitalization grants each State receives be used to provide assistance for additional subsidization in the form of forgiveness of principal, negative interest loans, or grants, or any combination of these. Assuming there are eligible projects, the bill requires that not less than 20 percent of each Revolving Fund be available for projects to address green infrastructure, water and/or energy efficiency, innovative water quality improvements, decentralized wastewater treatment, stormwater runoff mitigation, and water conservation. The bill prohibits the use of both Revolving Funds for the purchase of land or easements that do not directly create jobs. To ensure that the funds are used to create jobs, the bill also limits the use of both Revolving Funds to buy, refinance or restructure debt incurred prior to October 1, 2008.

HEALTH AND HUMAN SERVICES

Stimulus bill funding to agencies under the U.S. Department of Health and Human Services (HHS) include: unemployment assistance through Medicaid and COBRA, children and family assistance through grants, and workforce training through the National Health Service Corps just to name a few. This portion of the Stimulus legislation aims to improve health coverage, rebuild health centers, invest in research

and development, and improve our nation's health information technology for the 21st century.

Medicaid - \$86.6 Billion Federal Match

With regard to federal matching, approximately \$86.6 billion will go to the Federal Medical Assistance Percentage (FMAP) through the end of FY10. This additional funding will help states maintain their Medicaid programs. States that would otherwise experience a drop in their FMAPs under the normal formula would be held harmless against the decline. All states would receive a 4.9% increase in their FMAP. Additional increases will go to states with large increases in unemployment.

Medicaid health care coverage would receive \$8.6 billion to fund optional state Medicaid coverage for people who have lost their jobs (and their dependents) and whose family income does not exceed the state-determined level, but is no higher than twice the federal poverty level or who are receiving food stamps. In addition, all states would receive an increase in their matching payments by 6.2 percentage points over a 27-month period. For states with large increases in unemployment, the measure provides additional increases in their federal matching payments directly proportional to the increase in their unemployment rates. The agreement also provides for a bonus payment structure that would decrease state financial obligations for Medicaid based on increases in the state's unemployment rate.

To qualify, individuals would have to be receiving or have exhausted unemployment benefits during the period September 1, 2008 through December 31, 2010. The federal government would assume 100% of the costs of benefits and administration for individuals enrolled under this option through December 31, 2010. For those leaving welfare, Transitional Medical Assistance (TMA) will be extended through December 31, 2010 for those who leave welfare to begin work. This provision would cost an estimated \$3 billion.

Medicaid Reimbursement Moratorium

The House bill extends the moratorium on the six regulations through June 30, 2009 and adds a new moratorium on the seventh Medicaid regulation relating to outpatient hospital services. These regulations relate to costs limits on public providers, graduate medical education payments, provider taxes, rehabilitative services, targeted case management services, and school administration and

transportation services. \$1.1 billion will also be allocated for research to evaluate the effectiveness of interventions funded by Medicare, Medicaid, and SCHIP.

COBRA - \$30.3 Billion

The bill designates \$30.3 billion to COBRA Premium Assistance (a 65% subsidy). COBRA is a temporary solution for the recently unemployed. The program allows an ex-employee to pay 100% of the health insurance premium plus 2% in administrative costs to the former employer in order to continue to stay on the company's medical insurance plan. To be eligible a worker must have worked for an employer with 20 or more employees, have been enrolled in the employer's health plan, and have lost their health coverage due to termination of employment for reasons other than gross misconduct between September 1, 2008 and December 31, 2009. The assistance ends after 9 months or upon any offer of new employer-sponsored coverage.

Training the Healthcare Workforce - \$575 million

\$500 million will address workforce shortages and train primary healthcare providers including doctors, dentists and nurses, as well as providing \$75 million in the form of scholarships and loan repayment for students who agree to practice in underserved communities through the National Health Service Corps.

The funds will also be distributed as grants to training programs for equipment. 20 percent of the funds will be used for field operations (\$15 million) and 0.5 percent of the funds can go towards administration costs (\$3.75 million).

Administration on Aging - \$100 million

\$65 million will be used for Congregate Nutrition Services, \$32 million will be allocated for Home-Delivered Nutrition Services, and \$3 million for Nutrition Services for Native Americans.

Preventive and Wellness Fund - \$1 Billion

The measure provides \$1 billion for the creation of a "Prevention and Wellness Fund," to make investments in preventive health care. Of this total, \$2.4 billion would be transferred to the Centers for Disease Control and Prevention. These funds will be distributed in the form of preventive health and health services block grants. The grants will benefit state and local public health departments,

immunization programs, hospital infection prevention and evidence-based disease prevention.

Renovation and Modernization - \$4 Billion

For health centers, the bill would distribute \$500 million in grants, \$1.5 billion in grants for construction, renovation and equipment, and informational technology. \$1 billion in funding will go towards grants or contracts to construct, renovate or repair existing non-federal research facilities. \$500 million will go to the National Institutes of Health for the Buildings and Facilities Program to fund high priority repair, construction, and improvement projects for NIH facilities. Under this program, \$1.3 billion has been allocated for National Research Center Resources, of which \$1 billion would be designated for renovation of facilities.

Research and Development - \$8.9 Billion

The agreement provides \$500 million for university research facilities. This funding is intended to help universities compete for the biomedical research grants supported by the National Institutes of Health (NIH). Funds would be provided on a competitive basis through requests for applications with a statutory board to conduct peer reviews. \$7.4 billion will go to the NIH and the Common Fund to be used for scientific research. \$300 million will be allocated to provide shared instrumentation and other capital research equipment to recipients of grants and contracts. \$700 million would be appropriated to the Agency for Healthcare Research and Quality for comparative effectiveness research. The Federal Coordinating Council for Comparative Effectiveness Research may make grants and contracts with appropriate entities as well as private sector entities that have demonstrated experience and capacity to achieve the goals of comparative effectiveness research.

Community Health Centers (CHC) - \$500 Million

CHC would receive \$500 million to provide care to uninsured and underserved rural and urban populations. This funding would be distributed through competitive grants or supplements to existing community health centers awards.

Child Care and Development Block Grant - \$2 Billion

Once awarded to the states, the funds will be distributed for child care services for low-income families.

Head Start and Early Head Start - \$2.1 Billion

\$1 billion would go to Head Start and \$1.1 billion would go towards the expansion of Early Head Start programs. Under the Head Start Program, 10 percent will be available for the provision of training and technical assistance. Three percent will be used for monitoring the operation of the programs.

Community Services Block Grant - \$1 Billion

\$1 billion would be distributed to provide emergency housing, food, health, and employment assistance to low-income families and individuals who do not qualify for Medicaid, as well as the homeless and the elderly.

Health Information Technology (HIT) - \$19.2 Billion

The measure includes funding for health information technology infrastructure. The estimated net cost of this provision is \$17.2 billion, but an additional \$2 billion would also be made available for affiliated grants and loans through discretionary funding. \$2 billion will be available until expended through the Office of the Secretary for the Office of the National Coordinator for Health Information Technology. \$50 million will be allocated to the Public Health and Social Services Emergency Fund to improve information technology security.

HOMELAND SECURITY

FEMA Emergency Food and Shelter - \$100 million

\$200 million is allocated to local community organizations to support food, shelter and services to the nation's hungry, homeless and people in economic crisis. Funds are distributed by a formula that is based on unemployment levels and poverty levels. Agencies use funds for mass shelter, mass feeding, food distribution through food pantries and food banks, one-month utility payments to prevent service cut-off, and one-month rent/mortgage assistance to prevent evictions or assist people leaving shelters to establish stable living conditions.

Transportation Security Administration Explosive Detection Systems - \$1 billion

\$1 billion to install Aviation Explosive Detection Systems in the nation's airports, improving security, and making life easier on travelers by speeding security lines. Funds are competitively awarded based on security risk.

U. S. Customs & Border Protection - \$680 million

\$100 million for non-intrusive inspection technology to be deployed at sea ports of entry which will be used to scan cargo; \$60 million for tactical communications; and \$420 million to repair and construct inspection facilities at land border points of entry to improve border security, make trade and travel easier and reduce wait times. The bill also provides \$100 million for Border Security Fencing, Infrastructure, and Technology.

State and Local Programs - \$300 million

\$300 million for State and Local Programs. Of the amount, \$150 million is for Public Transportation Security Assistance and Railroad Security Assistance, including Amtrak Security, and \$150 million for Port Security Grants. In addition, the bill includes provisions waiving the cost-share for Port Security, Public Transportation Security Assistance and Railroad Security Assistance Grants.

Firefighter Assistance Grants - \$210 million

\$210 million for firefighter assistance grants to modify, upgrade or construct non-Federal fire stations. Funds will be awarded competitively and individual grants may not exceed \$15 million per grant.

HOUSING AND URBAN DEVELOPMENT and RURAL DEVELOPMENT

Community Development Block Grants (CDBG) Programs - \$1 billion

\$1 billion has been allocated for housing and infrastructure support to local governments. Distribution of CDBG dollars will be through an existing formula administered by the Department of Housing and Urban Development.

Public Housing Capital Fund - \$5 billion

\$4 billion has been allocated to complete building repair and construction projects in local public housing. \$3 billion will be distributed to public housing authorities using existing formulas and priority should be given to projects that can award contracts within 120 days. \$1 billion will be distributed through a new competitive grant program that funds the following types of projects: (1)

investments that leverage private sector funding or financing for housing renovations and energy conservation retrofit investments; (2) rehabilitation of units using sustainable materials and methods that improve energy efficiency, reduce energy costs, or preserve and improve units with good access to public transportation or employment centers; (3) increase the availability of affordable rental housing by expediting rehabilitation projects to bring vacant units into use or by filling the capital investment gap for redevelopment or replacement housing projects which have been approved or are otherwise ready to proceed but are stalled due to the inability to obtain anticipated private capital; or (4) address the needs of seniors and persons with disabilities through improvements to housing and related facilities which attract or promote the coordinated delivery of supportive services.

Neighborhood Stabilization Program (NSP) - \$2 billion

\$2 billion has been provided for assistance for the redevelopment of abandoned and foreclosed homes. Funding will be allocated on a competitive basis to states, local governments and nonprofit entities.

HOME Block Grant Program - \$2.3 billion

\$2.3 billion for formula grants to States and localities that communities use-often in partnership with local nonprofit groups-to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. Funds will be distributed by the FY 2008 formula and that the recipients of the funds give priority to projects that can be awarded based on bids within 120 day of receiving the funds.

Homelessness Prevention Fund - \$1.5 billion

\$1.5 billion to be distributed based on current formula. In addition to homeless prevention, the funds may be used for the short-term or medium-term rental assistance; housing relocation and stabilization services including housing search, mediation or outreach to property owners, legal services, credit repair, resolution of security or utility deposits, utility payments, rental assistance for a final month at a location, and moving costs assistance; or other appropriate homelessness prevention activities.

Rural Housing Insurance Fund Program - \$200 million

\$200 million to be distributed through the guaranteed loan program, which allows families the opportunity to become homeowners in rural areas through the use of USDA home loans. Through this program, homebuyers apply with participating lenders and the government guarantees the repayment of part of the principal. Qualified participants include low- and very-low-income families who are allowed to purchase, build, or rehabilitate a home in rural areas.

Rural Community Facilities Program - \$130 million

\$130 million is provided to local governments, nonprofit corporations, and federally-recognized Indian tribes for the development of essential community facilities in rural areas. Funds can be used for health care facilities; fire, rescue, and public safety buildings, vehicles, and equipment; libraries and other important community needs.

INFRASTRUCTURE

The majority of the funding will be administered through existing programs and formulas. Each state government is required to “maintain its effort” of non-federal spending on each stimulus project at the same level it otherwise would have been between the date of enactment and September 2010.

Highway Programs - \$27.5 billion

ARRA provides \$27.5 billion for highways and bridges with no state or local match required. The money will be distributed among the states 50 percent based on states’ 2008 share of highway and bridge dollars and 50 percent according to the current Surface Transportation Program formula. There are \$840 million in set-asides, including \$310 million for Indian reservation roads and \$170 million in National Park roads. Of the remaining funds, 3% is to be used by the States for Transportation Enhancements and 30% will be distributed within the states using the Surface Transportation Program (STP) formula. Under STP, local funds are allocated to the local metropolitan planning organization (MPO). Transportation enhancement projects include: Pedestrian and Bicycle Facilities, Pedestrian and Bicycle Safety Education, Acquisition of Scenic or Historic Sites, Scenic or Historic Highway Programs, Landscaping, Historic Preservation, Rehabilitation of Historic Transportation Facilities, Rail-Trails, Outdoor Advertising, Archaeological Planning and Research, Environmental Mitigation and Transportation Museums.

Priority will be given to projects that can be completed in three years and projects located in economically distressed areas. Fifty percent of the funding must be obligated within 120 days or the State will lose funds to other States. The other half must be must be obligated within one year of apportionment.

The legislation provides \$1.5 billion for a new surface transportation infrastructure competitive discretionary grant program to be administered by the Department of Transportation. The funds will be available through September 30, 2011. States, local governments, and transit agencies are eligible and projects should have a significant impact on the Nation, Metropolitan area or a region. Eligible projects include, but are not limited to – highway, bridge, Interstate rehabilitation, improvements to rural collector road system, reconstruction of overpasses and interchanges, bridge replacement, seismic retrofit projects for bridges, road realignments, public transportation projects, new starts, small starts, passenger and freight rail projects and port infrastructure. Grants will be for not less than \$20 million or more than \$300 million although the minimum grant size may be waived the purpose of funding significant projects in smaller cities, regions, or States. No more than 20 percent may be given to projects in one State. Priority will be given to projects that need a Federal contribution to complete financing and to projects that can be completed in three years. The Federal share may be up to 100 percent. The grant criteria for this new program are to be completed within 90 days of enactment; and applications to be submitted within 180 days of publication of criteria.

Federal Aviation Administration (FAA)

The bill provides \$1.3 billion for airport funding. \$1.1 billion in Airport Improvement Program (AIP) funds is to be distributed by the Department of Transportation which shall make grants for discretionary projects in keeping with the existing AIP program. Eligible projects include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, sponsors can use AIP funds on most airfield capital improvements or repairs except those for terminals, hangars, and non-aviation development. An additional \$200 million is provided for Federal Aviation Administration facilities and equipment.

Transit

The bill provides \$8.4 billion for mass transit, all with a 100 percent federal share. \$6.9 billion dollars is allocated under the existing transit formula

programs. Another \$750 million goes out by formula for the fixed guideway modernization program and \$750 million for the discretionary transit new starts program. Recipients will have 180 days after grant awards to obligate 50 percent of the money and one year after the award for the remaining 50 percent or the funds will be redistributed. The discretionary “New Start” funds would be used for light rail, heavy rail, commuter rail, automated fixed guideway systems, and bus-way/high-occupancy vehicle facilities. Funding under the New Starts Program will be allocated at the discretion of the US-DOT, with priority given to projects that are currently under construction or are able to award contracts based on bids within 150 days of enactment.

DEPARTMENT OF JUSTICE

Violence Against Women Prevention and Prosecution Grants - \$225,000,000

(\$175,000,000 for STOP Violence Against Women Formula Assistance Program. \$50,000,000 for transitional housing assistance grants for victims of domestic violence, stalking or sexual assault.)

Byrne Memorial Justice Assistance Formula Grant Program - \$2 billion

This funding provides \$2 billion under the Edward Byrne Memorial Justice Assistance in formula grants to support local law enforcement efforts with equipment and operating costs. The program allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. Funds are available towards: prosecution and court programs; prevention and education programs; corrections and community corrections programs; drug treatment and enforcement programs; planning, evaluation, and technology improvement programs; and crime victim and witness programs (other than compensation).

State and Local Law Enforcement Byrne Assistance Grants - \$225,000,000

Competitive grants to improve the functioning of the criminal justice system, to assist victims of crime (other than compensation), and youth mentoring grants. For peer-reviewed grants to State, local, and tribal governments, and to national, regional, and local non-profit organizations to prevent crime, improve the administration of justice, provide services to victims of crime, support critical nurturing and mentoring of at-risk children and youth, and for other similar activities.

Southwest Border/Project Gunrunner Assistance Grants - \$40,000,000

Competitive grants to provide assistance and equipment to local law enforcement along the Southern border and in High Intensity Drug Trafficking Areas (HIDTA) to combat criminal narcotics activity stemming from the Southern border, of which \$10,000,000 shall be available by transfer to the "Bureau of Alcohol, Tobacco, Firearms and Explosives, Salaries and Expenses" for the ATF Project Gunrunner.

Tribal Law Enforcement Assistance - \$225,000,000

Grants to assist American Indian and Alaska Native tribes, to be distributed under the guidelines set forth by the Correctional Facilities on Tribal Lands program. The Department of Justice is directed to coordinate with the Bureau of Indian Affairs, and to consider the following in the grant approval process: (1) the detention bed space needs of an applicant tribe; and (2) the violent crime statistics of the tribe.

Victims Compensation - \$100,000,000

Formula grants through the DOJ Office of Victims of Crime to support State compensation and assistance programs for victims and survivors of domestic violence, sexual assault, child abuse, drunk driving, homicide, and other Federal and state crimes.

Rural Law Enforcement Assistance - \$125,000,000

Competitive grants to law enforcement in rural States and rural areas, to prevent and combat crime, especially drug-related crime. Funds will be available on a drug enforcement and other law enforcement activities in rural states and rural areas, including for the hiring of police officers and for community drug prevention and treatment programs.

Internet Crimes Against Children (ICAC) Task Force Program - \$50,000,000

This program assists State and local law enforcement agencies with investigative responses to offenders who use the Internet, online communications systems, or other computer technology to sexually exploit children.

COPS Hiring Grant Program - \$1 billion

The COPS Hiring Grant Program supports local law enforcement entities with hiring approximately 13,000 new law enforcement officers for three years. The grantee is responsible for at least 25 percent in matching funds and must commit to use their own funds to keep the officer on board in the fourth year. The program provides funding directly to state and local jurisdictions for the salaries and benefits of newly hired officers engaged in community policing. This allows communities, regardless of size, to directly hire police officers and sheriffs' deputies who are then deployed into community policing, or a comparable number of veteran officers can be redeployed into community policing activities in their place.

STATE FISCAL STABILIZATION FUND

State Fiscal Stabilization Fund - \$53.6 billion

This fund will be used to prevent tax increases, cutbacks and layoffs for schools and other high priority needs such as public safety. The breakdown of these funds shall be:

- \$39.5 billion distributed by existing formula to local school districts for activities authorized, under the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Act (IDEA), the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins), and for school modernization, renovation, and repair of public school facilities (but not new construction);
- \$5 billion to states as bonus grants for meeting key performance measures in education; and
- \$8.8 billion to states for high priority needs such as public safety and other critical services.

TAXES AND BONDS

Municipal Bonds

The House bill increases the small issuer limitation from \$10 million to \$30 million and provides a two percent safe harbor exception for tax-exempt interest expenses of financial institutions. The bill deletes all private activity bonds from the alternative minimum tax (AMT). These three provisions seek to increase

investor interest in municipal bonds, which have been jeopardized by the current economic crisis.

Tax Credit Bonds

The bill establishes a new funding option for municipalities that would allow tax credit bonds to be issued and partly subsidized by direct payments from the federal government to municipalities.

Three Percent Withholding Requirement

A 2006 tax reconciliation law (PL 109-222) requires certain state and local governments to be required to withhold three percent from many government payments for goods or services. The provision, unless repealed, would apply to payments made after December 31, 2010 on local government contracts. The conference agreement delays for one year (through December 31, 2011) the application of the three percent withholding requirement on government payments for goods and services in order to provide time for the Treasury Department to study the impact of this provision on government entities and other taxpayers. (The House version contained a complete repeal of the requirement.)

WATER INFRASTRUCTURE AND CORPS OF ENGINEERS

Rural Water and Waste Disposal Program - \$1.38 billion

\$1.38 billion is provided for rural water and waste grant and loan programs to help communities fund drinking water and wastewater treatment infrastructure. Eligible participants include rural areas with populations of 10,000 or less and priority is given to smaller and poorer communities.

Corps of Engineers - \$4.6 billion

\$4.6 billion is provided to the Corps of Engineers for the planning, construction and operation and maintenance of the nation's flood control and navigation infrastructure, as well as the construction of environmental restoration projects. The funding will provide improved flood protection, navigation and hydropower to the Nation's communities as well as increase the efficiency of the nation's existing water resource infrastructure. The funding will be used to accelerate the completion of ongoing capital improvement projects or initiate new elements of existing projects that can be built within the next year.

Congress recommends that the Corps allocate funding to programs, projects or activities: (1) that can be obligated/executed quickly; (2) that will result in high, immediate employment; (3) where there is little schedule risk; (4) that complete either a project phase, a project, or will provide a useful service that does not require additional funding; and (5) that does not duplicate any work budgeted in fiscal year 2009, or likely to be budgeted in fiscal year 2010 or fiscal year 2011.

WIRELESS AND BROADBAND GRANTS

USDA – Rural Utilities Service - \$2.5 billion

The agreement provides \$2.5 billion for the existing broadband deployment program run by the Rural Utilities Service. At least 75 percent of the area to be served by a project receiving funds from such grants, loans or loan guarantees shall be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development. Priority shall be given to project applications for broadband systems that will deliver end users a choice of more than one service provider and to those projects that provide service to the highest proportion of rural residents that do not have access to broadband service. Priority shall also be given for project applications from borrowers or former borrowers under title II of the Rural Electrification Act of 1936 and for project applications that include such borrowers or former borrowers. No area of a project funded with amounts made available under this program may receive funding to provide broadband service under the Broadband Technology Opportunities Program.

Department of Commerce – Wireless and Broadband Deployment Grant Program - \$4.7 billion

The Act provides \$4.7 billion: \$4.35 billion available until September 30, 2010 for competitive grants to increase broadband deployment in “unserved and underserved areas,” of which \$200 million is designated to expand public computer center capacity and \$250 million is to encourage sustainable broadband adoption. These grants have an 80/20 match subject to a waiver of the grantee share. The bill also provides \$350 million to the National Telecommunications and Information Administration (NTIA) to fund a grant program authorized last year (P.L. 110-385) to support efforts in states to improve and inventory broadband communications and services, and to develop a nationwide broadband inventory map.